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RECEIVED
Of Counsel

2004 MAY 25 PM 1:42 H. LaDon Baltimore

T.R.A. DOCKET ROOM

*Also licensed in KY
**Also licensed in AL

May 21, 2004

Shilina B. Chatterjee, Esq.
Joe Shirley, Esq.
Assistant Attorneys General
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202

RE: Application of Hickory Star Water Company, LLC to Increase Its Rates; TRA
docket No. 04-00044

Dear Counsel.

Enclosed please find the original of my client's responses to the Consumer Advocate & Protection Division's First Set of Discovery Requests in the above-referenced matter. If you have any questions, please do not hesitate to contact me.

Sincerely,



H. LaDon Baltimore

LDB/dcg

Enclosure

cc. Sharla Dillon, TRA, Dockets
William Geary

**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:)
)
APPLICATION OF HICKORY STAR) DOCKET NO. 04-00044
WATER COMPANY, LLC TO INCREASE)
ITS RATES)

**RESPONSE OF HICKORY STAR WATER COMPANY, LLC, TO
CONSUMER ADVOCATE & PROTECTION DIVISION'S
FIRST SET OF DISCOVERY REQUESTS**

Hickory Star Water Company, LLC ("HSWC") responds to the first set of discovery requests by Paul G Summers, Attorney General and Reporter for the State of Tennessee through the Consumer Advocate & Protection Division of the Office of the Attorney General ("Consumer Advocate") Subject to and reserving objections as set forth below and its right to amend and/or supplement these responses should additional information become known or additional documents identified, HSWC responds to the discovery requests as follows:

INTERROGATORIES

Interrogatory No. 1

Identify each person whom you expect to call as an expert witness at any hearing in this docket, and for each such expert witness:

- (a) identify the field in which the witness is to be offered as an expert,
- (b) provide complete background information, including the expert's current employer as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify, and identify all publications written or presentations presented in whole or in part by the witness,

- (c) provide the grounds (including without limitation any factual basis) for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion,
- (d) identify any matter in which the expert has testified (through deposition or otherwise) by specifying the name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;
- (e) identify for each such expert any person whom the expert consulted or otherwise communicated with in connection with his expected testimony,
- (f) identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions;
- (g) identify all documents or things shown to, delivered to, received from, relied upon, or prepared by any expert witness, which are related to the witness(es)' expected testimony in this case, whether or not such documents are supportive of such testimony, including without limitation all documents or things provided to that expert for review in connection with testimony and opinions, and
- (h) identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert

Response: No expert witness is anticipated at this time. In the event an expert witness does testify, proper notice will be provided to the Consumer Advocate & Protection Division of the Office of the Attorney General.

Interrogatory No. 2

State whether Hickory Star has received any customer complaints of any kind for the period from January 1, 2000 to present, including, but not limited to, complaints regarding billing and payment, billing disputes, quality of water, interruption of service, service connection, and disconnection or termination of service. For each such complaint, state the name and billing

address of the complaining customer, the date or approximate time frame the Company received the complaint, the nature of the complaint, the action the Company has taken to address or resolve the complaint, and the current disposition of the complaint.

- Response:**
- (A) John & Marche Shelton
142 Dogwood Trail
Maynardville, TN 37807
Date: January 29, 2002 and March 19, 2002
Complaint. Rusty looking water, change in water pressure, and dirty clothes after washing (yellow tinge)
Action Taken. Replacing old main line with new p v.c. line.
Completed December 2003
Current Disposition. Problem resolved
 - (B) Eldon Gochenour
140 Dogwood Trail
Maynardville, TN 37087
Date March 19, 2002 and April 25, 2002
Complaint. Rusty color, yellow tinge, dirty looking clothes
Action taken: Replacing old main line with p.v.c. line. Completed December 2003.
Current Disposition: Problem resolved
 - (C) Chris & Violet Hazelett
1457 Hickory Start Road
Maynardville, TN 37087
Complaint: Water turned off for non-payment; did not owe amount stated
Action Taken. Worked with Eddie Roberson and Jean Curran with the TRA; reviewed all bills from July 20901 to June 2002, period when no water bills were paid.
Current Disposition: Billing was correct for that period Customer paid amount owed. Customer is delinquent again
- Customers of Dogwood & Lakeshore Petition See attached Exhibit 1 for listing of all names and addresses of customers involved in petition
Complaint Discolored water, rusty looking, yellow tinge
Action taken Replaced old main line
Current Disposition: Problem resolved

Interrogatory No. 3

Refer to Hickory Star's response to Item No. 44 of TRA Staff's Data Request dated February 13, 2004 (response attached hereto). Provide a complete description of the individual fixed assets that comprise the February 2001 plant addition of \$139,802.59 described as "TRANSFER WATER SYSTEM FR HICKORY STAR, LLC." Include in your description of each individual fixed asset the net asset value at time of transfer in February 2001, the asset's annual depreciation rate, and the asset's net book value as of January 1, 2003.

Response: The fixed assets transferred on February 2001 were water lines built for a 62-lot subdivision. The annual depreciation is 6.67%, and the assets' net book value as of January 1, 2003 is \$109,570.

Interrogatory No. 4

With regard to the \$139,802.59 transfer of fixed assets from Hickory Star, LLC to Hickory Star Water Company, LLC referred to in Interrogatory No. 3, above, state whether these fixed assets were transferred at their net book value (e.g., cost less accumulated depreciation) at the time of the transfer in February 2001. If these assets were not transferred at their net book value, describe with specificity the methodology used to arrive at the value of the assets transferred.

Response: The net assets were transferred at net book value.

Interrogatory No. 5

Refer to Hickory Star's response to Item No. 44 of TRA Staff's Data Request dated February 13, 2004 (response attached hereto). Provide a complete description of the individual fixed assets that comprise the April 2002 plant addition of \$11,222.95 described as "CONNECT

NEW SYSTEM” Include in your description of each individual fixed asset the cost of the asset, the asset’s annual depreciation rate, and the asset’s net book value as of January 1, 2003

Response: The fixed assets consist of 2,700 linear feet of a 2 1/2" water line that was replaced. The annual depreciation rate is 5% The net book value as of January 1, 2003 is \$6,816.

Interrogatory No. 6

Refer to Hickory Star’s response to Item No. 44 of TRA Staff’s Data Request dated February 13, 2004 (response attached hereto). Provide a complete description of the individual fixed assets that comprise the February 2003 plant addition of \$17,078.00 described as “WATER SYSTEM - 2700 FT” Include in your description of each individual fixed asset the cost of the asset and the asset’s annual depreciation rate.

Response: The plant addition consisted of another 2,700 feet of water line The annual depreciation rate is 4% The net book value as of January 1, 2003 is \$11,352

Interrogatory No. 7

Refer to Hickory Star’s response to Item No. 2 of TRA Staff’s Data Request dated February 13, 2004, wherein the Company stated “The water lines in the service area are very old and the Division of Water Supply has ordered HSWC to install new water lines The project is in three phases Phase 1 has been completed and Phase 2 and 3 will be completed over the next two years Details on the construction of the water lines are in the rate request ” Refer also to Exhibit II “Water Line Replacement” schedule attached to Hickory Star’s *Petition* (attached hereto). Identify the individual fixed assets that comprise the \$56,095.60 total amount shown on the “Water Line Replacement” schedule, the date placed in service or projected date to be placed in service, the cost of each fixed asset, and the asset’s annual depreciation rate.

Response: The fixed assets that comprise the \$56,095.60 consist of new water lines. The first phase was completed in 2003. The second phase will be completed by the end of 2004, and the final plan will be completed by the end of 2005. The annual depreciation rate will be 4%. The costs are included in the attached Exhibit 2.

Interrogatory No. 8

Provide the Company's forecast of the number of new customers that will connect to the water and/or sewer system during 2004 and 2005.

Response: HSWC projects that there will be five (5) additional customers in 2004 and ten (10) additional customers in 2005.

Interrogatory No. 9

Provide the Company's forecast of the amount of Contributions in Aid of Construction exclusive of tap fees for new water or sewer connections for 2004 and 2005.

Response: No Contributions in Aid of Construction are forecast.

Interrogatory No. 10

Provide the number of gallons of water used per month according to the master water meter for the entire Hickory Star service area for the period January 1, 2003 through December 31, 2003.

Response:	January 2003	21,000 gls
	February 2003	3,000 gls
	March 2003	5,000 gls
	April 2003	86,000 gls
	May 2003	84,000 gls
	June 2003	93,000 gls
	July 2003	126,000 gls
	August 2003	258,000 gls
	September 2003	189,000 gls
	October 2003	276,000 gls

November 2003	301,000 gls
December 2003	288,000 gls

Total gls	1,730,000 gls

REQUESTS FOR PRODUCTION OF DOCUMENTS

Request for Production of Documents No. 1

Produce copies of all documents provided to, reviewed by or produced by any expert or consultant retained by Hickory Star to testify or to provide information from which another expert will testify concerning this case

Response: See response to interrogatory no. 1.

Request for Production of Documents No. 2

Produce a copy of all work papers of Hickory Star's proposed experts, including but not limited to file notes, chart notes, tests, test results, computations, interview and/or consult notes, and all other file documentation that any of Hickory Star's expert witnesses in any way used, created, generated or consulted in connection with the evaluation, conclusions and opinion in this matter.

Response: See response to interrogatory no. 1.

Request for Production of Documents No. 3

Produce a copy of all trade articles, journals, treatises and publications of any kind in any way utilized or relied upon by any of Hickory Star's proposed expert witnesses in evaluating, reaching conclusions or formulating an opinion in this matter.

Response: See response to interrogatory no. 1.

Request for Production of Documents No. 4

Produce a copy of all documents which relate or pertain to any factual information provided to, gathered by, utilized or relied upon by any of Hickory Star's proposed expert witnesses in evaluating, reaching conclusions or formulating an opinion in this matter.

Response: See response to interrogatory no. 1

Request for Production of Documents No. 5

Produce a copy of any exhibits to be used as a summary of or support for the testimony or opinions provided by any of Hickory Star's proposed expert witnesses.

Response: See response to interrogatory no. 1

Request for Production of Documents No. 6

With regard to the \$139,802.59 transfer of fixed assets from Hickory Star, LLC to Hickory Star Water Company, LLC referenced in Interrogatory No. 3, produce a copy of the accounting source documents that support the transfer of these fixed assets.

Response: See attached Exhibit 2.

Request for Production of Documents No. 7

Produce a copy of the Water Servicing Agreement that is currently in effect between Hickory Star and the City of Maynardville

Response: See attached Exhibit 3.

Request for Production of Documents No. 8

Produce a copy of the current water tariff from the City of Maynardville that is used to determine the water usage rates that Hickory Star pays to the City of Maynardville for water purchases.

Response: See attached Exhibit 4.

Request for Production of Documents No. 9

Produce copies of any and all documents referred to or relied upon in responding to the Consumer Advocate's discovery requests.

Response: Copies of all such documents have been provided.

Respectfully submitted,

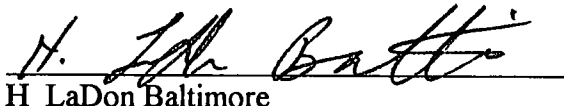


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Farrar & Bates, L L.P.
211 Seventh Avenue North, Suite 420
Nashville, TN 37219
(615) 254-3060
(615) 254-9835 FAX
Counsel to Hickory Star Water Company, LLC

Certificate of Service

The undersigned hereby certifies that on this the 21st day of May, 2004, a true and correct copy of the foregoing has been forwarded via first class U. S. Mail, hand delivery, overnight delivery, or facsimile transmission to the following.

Shilina B. Chatterjee, Esq.
Joe Shirley, Esq
Assistant Attorneys General
Office of the Attorney General
Consumer Advocate and Protection Division
P O. Box 20207
Nashville, Tennessee 37202



H LaDon Baltimore

BOBBY ALLEN
123 DOGWOOD TRL.
MAYNARDVILLE TN. 37807

ED. HARVEY
169 DOGWOOD TRL.
MAYNARDVILLE TN. 37807

HOWARD LOVELESS
309 LAKESHORE DR.
MAYNARDVILLE TN. 37807

CAROLYN CAMP
127 DOGWOOD TRL.
MAYNARDVILLE TN. 37807

JOHN SHELTON
143 DOOGWOOD TRL.
MAYNARDVILLE TN. 37807

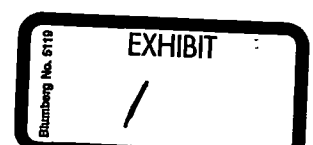
ROGER GOINS
269 LAKESHORE DR.
MAYNARDVILLE TN. 37807

CAROLYN CAMP
159 DOGWOOD TRL.
MAYNARDVILLE TN. 37807

DALE SCHUERMAN
4750 FITZGERALD RD.
DECATUR IL. 62521

ELDON GOUCHENOUR
140 DOGWOOD TRL.
MAYNARDVILLE TN. 37807

BILL BRADSHAW
147 DOGWOOD TRL.
MAYNARDVILLE TN. 37807



A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
1	HICKORY STAR LLC																					
2	CAPITAL IMPROVEMENTS FROM LOAN DRAWS																					
3	YEAR ENDED FEBRUARY 29, 2000																					
4																						
5																						
6																						
7	NO DESCRIPTION	CDE	CPL	BUDGET	CUMULATIVE TOTAL	ORIGINAL TOTAL	DRAW 1	RECLASS 1	DRAW 2	RECLASS 2	DRAW 3	RECLASS 3	DRAW 4	RECLASS 4	DRAW 5	RECLASS 5	DRAW 6	RECLASS 6	DRAW 7	RECLASS 7	DRAW 8	RECLASS 8
8																						
9	COVERED SLIP	114	0 14	314560	50,130 70	45,000 00																
10	JACUZZI		0 00	11360	0 00	0 00																
11	WAVE BREAK @ 102	100	1 00	45500	49,199 55	45,456 70	45,237 00	3,727 47			219 70	15 38										
12																						
13	WATER SYSTEM	109	0 84	122600	114,985 30	102,803 81																
14	STREET	107	0 09	273444	26,000 06	23,366 26					6,500 00	455 00	7,976 90	558 38	54,662 38	4,087 90	46,756 43	3,512 98	795 00	55 65	590 00	4,524 96
15	CLEARING	110	0 35	32000	12,441 05	11,120 00									7,915 26	591 94						974 10
16															11,120 00	831 60						489 45
17	DOCK AND CABLE	103	0 07	59380	4,404 09	3,949 06			2,662 00	186 34	287 06	20 09	5,837 07	408 60	1,000 00	74 78						173 82
18	DOCK STORE	104	0 36	33650	12,821 75	11,982 94			6,145 87	430 21	5,532 66	387 29										527 43
19	SECURITY SYSTEM @ 108				5,919 95	5,532 66																243 52
20	CAMPGROUND	112	0 18	32600	6,565 32	5,886 58																259 12
21	ROOFING (EXP) @ *			9830	7,562 15	7,066 45			6,864 00	480 56					202 45	15 14	1,389 93	104 43	4,497 05	314 79		311 03
22	PARKING LOT	111	0 12	23850	3,262 75	2,916 30									2,916 30	218 09						128 36
23																						
24	UTILITY SYSTEM	113	0 44	30950	15,093 69	13,489 00											13,000 00	976 74	489 00	34 23		593 72
25																						8,087 39
26	INTEREST	ALL	0 10	79178	0 00	8,087 39																(8,087 39)
27	CONTINGENCY		0 00	49486	0 00	0 00																
28	SUPERVISION	ALL	0 25	81612	0 00	20,637 59	3,727 47	(3,727 47)	1,097 11	(1,097 11)	877 76	(877 76)	966 98	(966 98)	5,819 45	(5,819 45)	4,594 15	(4,594 15)	3,554 67	(3,554 67)		4,174 00
29																						(4,174 00)
30	LOAN COST AMORT	ALL			0 00	4,174 00																
31	EXP COMPLETE ACTVIT	CPL			3,082 78																	
32																						
33					1200000	311,469 14	311,469 14	148,964 47	0 00	16,768 98	0 00	13,417 18	0 00	14,780 95	0 00	83,635 84	0 00	65,740 51	0 00	54,335 72	0 00	13,825 49
34						0 00																
35	RECLASS TO EXPENSE	*			(7,562 15)	(7,066 45)																
36	RECL TO INTEREST	@			(2,033 35)	0 00																
37	RECL TO AMORT	@	3082 78		(1,049 43)	=(5W\$11+5W\$18+5W\$19+5W\$21)*4174/(8087 39+4174)																
38	OTHER CAPITAL ITEMS																					
39																						
40	WATER HEATER	1/99			2,772 81																	
41	BASS TRACKER	7/99			6,500 00																	
42	LIVE BAIT TANK	11/99			3,560 00																	
43																						
44					313,657 02																	

54,662.38 +
4,087.90 +
46,756.43 +
3,512.98 +
795.00 +
55.65 +
590.00 +
4,524.96 +
114,985.30 +
13,870.83 +
970.96 +
3,950.00 +
276.50 +
134,053.59 +
1,160.00 +
116.00 +
4,473.00 +
39,802.59 *

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5/18/2004

Supervisory
Supervisory
Supervisory
Int & Loan Cost Amort
Supervisory
Supervisory
Int & Loan Cost Amort
Supervisory

CAPITAL IMPROVEMENTS FROM LOAN DRAWS
YEAR ENDED FEBRUARY 28, 2001

										(INCL ALL)																			
NO	DESCRIPTION	CAP %	CDE	CPL	BUDGET	CUMULATIVE TOTAL	ORIGINAL TOTAL	CUMULATIVE D-8-18	02/29/00 DRAW 8	03/30/00 DRAW 9	RECLASS 9	04/28/00 DRAW 10	RECLASS 10	05/24/00 DRAW 11	RECLASS 11	07/11/00 DRAW 12	RECLASS 12	3.844 19 =+ROUND(-(W526+W530)/(G11/SUM(G\$9:G\$25)),2)	08/01/00 DRAW 13	RECLASS 13	08/29/00 DRAW 14	RECLASS 14	10/04/00 DRAW 15	RECLASS 15					
1	COVERED SLIP	114	1	00	314,560	343,816 75	314,270 00	293,686 05	0 00	0 00	145,000 00	10,128 15	0 00	0 00	53,000 00	3,710 00	71,270 00	4,988 90	0 00	0 00	0 00	0 00	0 00	0 00					
2	JACUZZI	115	0	25	11,360	2,996 00	2,800 00	2,996 00									2,800 00	196 00											
3	WAVE BREAK	@ 102	1	00	45,500	49,199 55	45,546 70	0 00																					
4	WATER SYSTEM	109	0	99	122,600	139,802 59	121,784 64	24,817 29										13,870 83	970 96	3,950 00	276 50								
5	STREET	107	0	70	273,444	260,502 10	190,606 02	234,502 04	1,928 92	155 53								41,528 08	2,906 97	10,744 47	752 11	40,876 72	2,861 36						
6	CLEARING	110	0	53	32,000	19,740 76	16,939 19	7,299 71		553 16	38 64																		
7	DOCK AND CABLE SECURITY SYSTEM	103	0	91	59,380	60,691 16	53,861 53	56,287 07	1,290 97	104 09								39 26				33,240 00	2,326 80	3,013 00	210 91				
8	DOCK STORE	@ 104	0	79	33,650	5,321 11	4,973 00	5,321 11										348 11											
9	SECURITY SYSTEM@	108			33,650	36,324 66	26,449 65	23,502 91		313 91	21 93	2,686 17	188 03	3,655 00	255 85	3,896 42	272 75	1,423 20	99 62										
10	CAMPGROUND	112	1	00	32,600	35,514 39	32,647 92	28,949 07	2,085 00	168 11												6,370 36	445 93	15,422 50	1,079 57				
10	ROOFING (EXP) @	*			9,830	10,519 15	9,830 00	2,957 00											2,763 55	193 45									
11	PARKING LOT	111	0	12	23,850	3,262 75	2,916 30	0 00																					
12	UTILITY SYSTEM	113	0	80	30,950	31,881 62	24,740 20	16,787 93										1,793 29	125 53	6,457 91	452 05								
14	CONTINGENCY				0 95	49,486	51,271 42	47,110 46	51,271 42									16,588 73	1,161 21	27,771 73	1,944 02								
13	INTEREST	ALL	0	83	79,178	0 00	65,692 29																						
15	SUPERVISION	ALL	0	81	81,612	0 00	66,138 47		830 52	(830 52)	10,188 72	(10,188 72)	2,618 04	(2,618 04)	5,965 47	(5,965 47)	7,914 57	(7,914 57)	4,623 05	(4,623 05)	3,801 34	(3,801 34)	4,165 84	(4,165 84)					
	LOAN COST AMORT	ALL				0 00	6,679 00		REALTY ASSOC (APPRAISER)																				
	XP COMPLETE ACTIVITY CPL					0 00	6,679 00																						
					1,200,000	1,061,743 94	1,043,088 30	753,357 58	11,131 05	0 00	156,055 79	0 00	40,018 65	0 00	91,186 44	0 00	120,979 84	0 00	70,666 62	0 00	58,106 17	0 00	63,678 06	0 00					
	RECLASS TO EXPENSE	*					18,655 64		0 00								0 00												
	RECL TO AMORT	@																											
	OTHER CAPITAL ITEMS																												
	WATER HEATER	1/99				2,772 81																							
	BASS TRACKER	7/99				6,500 00																							
	LIVE BAIT TANK	11/99				3,560 00																							
	A/C FOR DOC	10/2/00				2,492 01																							
	AL PURCHASE					399,036 83																							
	AL DRAWS 1-8 + OTHER+CAP INT & LC					313,657 01																							
2/00						712,693 84	GUTTERS	ACC SUPER																					
	TOTAL DRAWS 8-15					662,680 46	(2,957 00)	(4,165 84)	655,557 62																				
	GENERAL LEDGER	LAND			34,746	1,375,374 30																							
		BUILDING			229,650																								
		LAND IMP			896,289																								
		BLDG IMP			20,950																								
		BOATS			30,299																								
		EQUIPMENT			78,058																								
		AUTO			9,850																								
	VARIANCE					1,299,842 49																							
						75,531 81																							

HICKORY STAR LLC

CAPITAL IMPROVEMENTS FROM LOAN DRAWS

YEAR ENDED FEBRUARY 28, 2001

NO	DESCRIPTION	CAP %	BUDGET	(INCL ALL) CUMULATIVE TOTAL	ORIGINAL TOTAL	10/30/00 DRAW	RECLASS DRAW	01/18/01 DRAW	RECLASS DRAW	5.073.00 1.10 RATE	ACC INT # MO/2	04/23/01 DRAW	RECLASS DRAW	RECLASS DRAW
1	COVERED SLIP	114 1.00	314,560	343,816.75	314,270.00	0.00	0.00	0.00	0.00	4.00	4.00	0.00	0.00	0.00
2	JACUZZI	115 0.25	11,360	2,996.00	2,800.00									
3	WAVE BREAK	@ 102 1.00	45,500	49,199.55	45,546.70									
4	WATER SYSTEM	109 0.99	122,600	139,802.59	121,784.64	1,160.00	1,160.00	4,473.00	4,473.00	8.00	8.00	20,000.00	1,082.83	72,000.00
5	STREET	107 0.70	273,444	260,502.10	190,606.02	40,000.00	40,000.00	10,335.00	10,335.00	10.00	10.00	2,930.58	158.67	294.42
6	CLEARING	110 0.53	32,000	19,740.76	16,939.19	328.95	32.90	4,937.08	1,408.98	12.00	12.00			19.22
7	DOCK AND CABLE	103 0.91	59,380	60,691.16	53,861.53			2,867.00	2,867.00	12.00	12.00	4,762.38	257.84	
8	DOCK STORE	@ 104 0.79	33,650	5,321.11	4,973.00			0.00	0.00	12.00	12.00	(7 anchor sites)		27,237.62
9	SECURITY SYSTEM	@ 108 1.00	36,324.66	10,899.93	26,449.65	2,492.01	249.20	1,716.00	1,716.00	2.00	2.00			1,778.24
10	CAMPGROUND	@ 112 1.00	32,600	35,514.39	32,647.92	443.44	44.34	197.26	197.26					(dock lockers)
11	ROOFING (EXP)	@ 112 1.00	9,830	10,519.15	9,830.00			0.00	0.00					
12	PARKING LOT	111 0.12	23,850	3,262.75	2,916.30			0.00	0.00					
13	LITTY SYSTEM	113 0.80	30,950	31,881.62	24,740.20	1,810.00	181.00	990.00	1,601.65	12.00	12.00	10,035.00	543.31	965.00
14	CONTINGENCY		49,486	51,271.42	47,110.46				834.00	4.00	4.00			63.00
15	INTEREST	ALL 0.83	79,178	0.00	65,692.29			(65,692.29)	(65,692.29)			2,042.65	(2,042.65)	6,561.07
16	SUPERVISION	ALL 0.81	81,612	0.00	66,138.47	4,623.44	(4,623.44)	769.89	(769.89)					(6,561.07)
LOAN COST AMORT ALL														
EXP COMPLETE ACTIVIT CPL														
A/C FOR DOCK 0.00 6,679.00														
1,200,000 1,061,743.94 1,043,088.30 50,857.84 0.00 53,395.32 0.00 8,738.80 125.00 39,770.61 0.00 107,058.11 0.00														
RECLASS TO EXPENSE														
RECL TO INTEREST @														
RECL TO AMORT @														
OTHER CAPITAL ITEMS														
WATER HEATER 1/99 2,772.81														
BASS TRACKER 7/99 6,500.00														
LIVE BAIT TANK 11/99 3,560.00														
A/C FOR DOC 10/2/00 2,492.01														
INITIAL PURCHASE 1,077,068.76														
AL DRAWS 1-8 + OTHER-CAP INT & LC 399,036.83														
2/00 712,693.84 GUTTERS														
TOTAL DRAWS 8-15 662,680.46 (2,957.00)														
GENERAL LEDGER														
LAND 34,746														
BUILDING 229,650														
LAND IMP 896,289														
BLDG IMP 20,950														
BOATS 30,299														
EQUIPMENT 78,058														
AUTO 9,850														
VARIANCE 1,299,842.49														
75,531.81														

Hickory Star

CONTINUATION SHEET

A DOCUMENT G702 APPLICATION AND CERTIFICATE FOR PAYMENT CONTAINING CONTRACTOR'S SIGNED CERTIFICATION IS ATTACHED		HICKORY STAR-ON SITE		APPLICATION #5	
TABULATION BELOW AMOUNTS ARE STATED TO THE NEAREST DOLLAR		1360 HICKORY STAR ROAD			
SEE COLUMN 1 CONTRACTS WHERE VARIABLE RETAINAGE FOR LINE ITEMS MAY APPLY		MAYNARDVILLE, TN 37807			

A ITEM NO	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D PREVIOUS APPLICATION	E WORK COMPLETED THIS APPLICATION WORK IN PLACE	F STORED MATERIALS NOT IN DORE	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH	I RETAINAGE
ADDITIONS								
001	COVERED SLIP EXPANSION	\$314,560.00				\$0.00	\$314,560.00	
002	JACOZZI	\$11,360.00				\$0.00	\$11,360.00	
	WAVE BREAK	\$45,500.00	\$45,456.70			\$45,456.70	\$43.30	
PHASE II								
004	WATER SYSTEM	\$122,600.00		\$54,662.38	$4106.74 - 58750 = 58750$	\$54,662.38	\$67,937.62	
005	STREETS	\$273,444.00	\$14,476.90	\$7,915.26	$52144 - 820710 = 820710$	\$22,392.16	\$251,051.84	
006	CLEARING	\$32,000.00		\$11,120.00	$(1500 + 9600) 83160 = 1145160$	\$11,120.00	\$20,880.00	
IMPROVEMENTS								
007	DOCK AND CABLE MODIFICATIONS	\$59,380.00	\$2,949.06	\$10,000.00	$74178 = 107178$	\$3,949.06	\$55,430.94	
008	IMPROVEMENTS TO DOCK STORE	\$33,650.00	\$17,515.60	\$0.00		\$17,515.60	\$16,134.40	
009	UPPER CAMPGROUND IMPROVEMENTS	\$32,600.00				\$0.00	\$32,600.00	
010	RESTAURANT & MOTEL ROOFING	\$9,830.00	\$6,864.00	\$202.45	$1514 = 21754$	\$202.45	\$9,627.55	
011	PAVING (NEW PARKING AREA)	\$23,850.00		\$2,916.30	$(18165 + 102) 21809 = 372421$	\$2,916.30	\$20,933.70	
UTILITY SYSTEM UPGRADE								
012	IMPROVEMENTS TO EXISTING SYSTEM	\$30,950.00				\$0.00	\$30,950.00	
INTEREST RESERVE								
013	INTEREST RESERVE	\$79,178.00				\$0.00	\$79,178.00	
CONTINGENCY								
014	CONTINGENCY	\$49,486.00				\$0.00	\$49,486.00	
CONSTRUCTION SUPERVISION								
015	CONSTRUCTION SUPERVISION	\$81,612.00	\$6,669.32	\$5,819.45	581945	\$12,488.77	\$69,123.23	

Handwritten notes and calculations in the middle of the table.

STAR-DRAWING

Handwritten notes at the bottom of the page, including "Clean dirty", "F Bailey", "TVA", "Boulding work", "Lamar Dunn", "F Bailey", "Clean", and "103".

HICKORY STAR MARINA & CA Ve	Dr # HAN136	13/99 NO: 5876
o-Pro Inv.Date Invoice #	Description	GL Account # Amount to Pay
8-435 11/12/99 00001	WATER SYSTEM	2615-200-100 53,919.88
		TOTAL 53,919.88

CARLSBERG MANAGEMENT COMPANY
PURCHASE REQUISITION
(Please Print or Type)

Property #: 435 Name: Hickory Star Marina
 PO #: _____ Inv #: 00001 Other: _____
 Reason for Expenditure: Water System Construction
Phase II

Vendor/Supplier

* Name: Jeff Hankins Excavating, Inc. Phone: ()
 Address: 359 Satterfield Road
 City, St: Luttrell, TN Zip Code: 37729

JEFF HANKINS, EXCAVATING, INC.
 359 Satterfield Road
 LUTTRELL, TENNESSEE 37779

 (865) 992-4517 Fax (865) 992-4058

INVOICE

INVOICE NO INVOICE DATE
 00001 11/12/99

SOLD TO: Hickory Star Resort
 Maynardville Tn 37807

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
	11/12/99		
TERMS	NOTES		

REFERENCE	DESCRIPTION	AMOUNT
	Material	\$38,919.88
	Labor	\$15,000.00
	D5 #109 Water System Phase II	

CARLSBERG MANAGEMENT COMPANY
PURCHASE REQUISITION
(Please Print or Type)

CARLSBERG MANAGEMENT COMPANY
PURCHASE REQUISITION
(Please Print or Type)

Vendor/Supplier

Goods or Services purchased (In detail):

Date: 11-15-99
Date: 11-15-99

Prop #	Acct #	Unit #	Amount	Prop #	Acct #	Unit #	Amount
			\$	435			\$1915.26
				105	107	12	+104

204
Dec 1

CARLSBERG MANAGEMENT COMPANY
PURCHASE REQUISITION
(Please Print or Type)

Property #: 435 Name: Hickory Star Marina
PO #: _____ Inv. #: 1 Other: _____
Reason for Expenditure: Water Line Design
Phase II

Vendor/Supplier

Name: Debra Dunn & Associates Phone: 1
Address: 3305 Maloney Rd
City, St: Knoxville, TN Zip Code: 37920

Goods or Services purchased (in detail):

Qty	Full Description	Per Unit Cost	Total Price
	<u>Draw #1</u>	\$	\$ <u>742.50</u>

Subtotal: 742.50
Sales Tax: _____
TOTAL: \$ 742.50

Signed: Aria J Churchill
Project Manager
Signed: _____
District/Regional Manager

Date: 11-15-99
Date: 11-15-99

Prop #	Acct #	Unit #	Amount	Prop #	Acct #	Unit #	Amount
				<u>435</u>			<u>742.50</u>
TOTAL:							<u>742.50</u>

Hickory Star Resort
1360 Hickory Star Road
Maynardville, TN 37807
Attn: Linda Ball

Date: October 29, 1999
Invoice No. 1
Project No. HSR902SE10WD12

Professional Engineering Services Relative to Revise Water Line Design for Hickory
Star Subdivision-Unit 2

Billing Period October 02, 1999 thru October 29, 1999.

LABOR:

Principal Engineer.	3.0 hrs x \$105/hr =	\$ 315.00
Professional Engineer:	1.5 hrs x \$ 75/hr =	112.50
Senior Technician:	1.5 hrs x \$ 60/hr =	90.00
Technician:	5.0 hrs x \$ 45/hr =	<u>225.00</u>

TOTAL AMOUNT DUE THIS PERIOD:

\$ 742.50

CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 1

OF 1

AIA DOCUMENT G702 APPLICATION AND CERTIFICATE FOR PAYMENT CONTAINING CONTRACTOR'S SIGNED CERTIFICATION IS ATTACHED

CONTRACTOR'S SIGNED CERTIFICATION IS ATTACHED
IN TABULATION BELOW AMOUNTS ARE STATED TO THE NEAREST DOLLAR
USE COLUMN 1 CONTRACTS WHERE VARIABLE RETAINAGE FOR LINE ITEMS MAY APPLY

HICKORY STAR-ON SITE
1380 HICKORY STAR ROAD
MAYNARDVILLE, TN 37807

APPLICATION #6

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D PREVIOUS APPLICATION	E WORK COMPLETED THIS APPLICATION WORK IN PLACE	F STORED MATERIALS NOT IN D OR E	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH	I RETAINAGE
ADDITIONS								
001	COVERED SLIP EXPANSION	\$314,560.00				\$0.00	\$314,560.00	
002	JACUZZI	\$11,360.00				\$0.00	\$11,360.00	
003	WAVE BREAK	\$45,500.00	\$45,456.70	Done		\$45,456.70	\$43.30	
PHASE II								
004	WATER SYSTEM	\$122,600.00	\$54,662.38	Sett. Hookups 5517	18 = 501249	\$101,418.81	\$21,181.19	
005	STREETS	\$273,444.00	\$22,392.16	Sett. Hookups 5517	18 = 501249	\$22,392.16	\$251,051.84	
006	CLEARING	\$32,000.00	\$11,120.00	Sett. Hookups 5517	18 = 501249	\$11,120.00	\$20,880.00	
IMPROVEMENTS								
007	DOCK AND CABLE MODIFICATIONS	\$59,380.00	\$3,949.06	10143		\$3,949.06	\$55,430.94	
008	IMPROVEMENTS TO DOCK STORE	\$33,650.00	\$17,515.60	\$0.00		\$17,515.60	\$16,134.40	
009	UPPER CAMPGROUND IMPROVEMENTS	\$32,600.00	\$1,389.93	Camp Ground		\$1,389.93	\$31,210.07	
010	RESTAURANT & MOTEL ROOFING	\$9,830.00	\$7,066.45	\$0.00		\$0.00	\$9,830.00	
011	PAVING (NEW PARKING AREA)	\$23,850.00	\$2,916.30	\$0.00		\$0.00	\$23,850.00	
UTILITY SYSTEM UPGRADE								
012	IMPROVEMENTS TO EXISTING SYSTEM	\$30,950.00		Sett. Hookups 5517	Utility	\$13,000.00	\$17,950.00	
013	INTEREST RESERVE	\$79,178.00				\$0.00	\$79,178.00	
014	CONTINGENCY	\$49,486.00				\$0.00	\$49,486.00	
015	CONSTRUCTION SUPERVISION	\$31,612.00	\$12,488.77	\$4,594.15		\$17,082.92	\$64,529.08	
TOTAL								
		\$1,200,000.00	\$177,567.42	\$65,740.51	\$0.00	\$243,307.93	\$956,692.07	

Hickory Star
Star Deal

STAR-DRW6.xls

Turned 12/24/99

06

CARLSBERG MANAGEMENT COMPANY
PURCHASE REQUISITION
(Please Print or Type)

Property #: 435 Name: Hickory Star Marina
PO #: Inv #: 00000006 Other:
Reason for Expenditure: Construction in progress

Vendor/Supplier

Name: Jeff Hankins Excavating, Inc
Address: 359 Satterfield Rd
City, St: Luttrell, In Zip Code: 37779

INVOICE

JEFF HANKINS EXCAVATING, INC.
359 Satterfield Road
LUTTRELL, TENNESSEE 37779
(865) 992-4517 Fax (865) 992-4058

INVOICE
INVOICE NO 00000006 INVOICE DATE 12/15/99

PAGE 1

SOLD TO
HICKORY STAR RESORTS
MAYNARDVILLE, TN 37807
U.S.A.

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
	12/15/99	12/15/99	

TERMS NOTES

UE ON RECEIPT

REFERENCE DESCRIPTION AMOUNT

	TOTAL LEFT DUE ON THIS ACCOUNT	46,756.43
--	--------------------------------	-----------

D6 # 109

Co-Pro	Inv.Date	Invoice #	Description	GL Account #	Amount to Pay
18-435	12/03/99	2	WATER LINES	6050-250-200	795.00
18-435	10/29/99	2	PHASE II	6050-250-200	3,306.83
TOTAL					4,101.83

CARLSBERG MANAGEMENT COMPANY
PURCHASE REQUISITION
(Please Print or Type)

Property #: 435 Name: Hickory Star Marina
 PO #: _____ Inv #: 2 Other: _____
 Reason for Expenditure: Engineering Service to
Survey Work to Stake out New Roads & Plat Prep
(Phase II)

Vendor/Supplier
 Name: James Dunn & Associates, Inc
 Address: 3305 Maloney Road
 City, St: Knoxville, TN Zip Code: 37920

Goods or Services purchased (In detail):

Qty	Full Description	Per Unit Cost	Total Price
	<u>Project # HSR901LS10SR20</u>	\$	\$ <u>3,306.83</u>

CARLSBERG MANAGEMENT COMPANY
PURCHASE REQUISITION
(Please Print or Type)

Property #: 435 Name: Hickory Star Marina
 PO #: _____ Inv #: 2 Other: _____
 Reason for Expenditure: Engineering Services to
Revis Water Lines Phase II

Vendor/Supplier
 Name: James Dunn & Associates, Inc
 Address: 3305 Maloney Road
 City, St: Knoxville, TN Zip Code: 37920

Goods or Services purchased (In detail):

Qty	Full Description	Per Unit Cost	Total Price
	<u>Project # HSR902SE10WD12</u>	\$	\$ <u>795.00</u>
	<u>Water</u>	<u>D7</u>	
	<u># 101</u>		
Subtotal:			<u>795.00</u>
Sales Tax:			

CARLSBERG CONSTRUCTIO COMPANY
6171W. CENTURY BOULEVARD, #100
LOS ANGELES, CA 90045

Invoice No.: HSR-0100
Invoice Date: 1/26/00

INVOICE

Bill to:

Hickory Star Resort
1360 Hickory Star Road
Maynardville, TN 37807

Job Information:

HICKORY STAR ADDITIONS
1360 Hickory Star Road
Maynardville, TN 37807

Contract Number	Project Manager	Terms	Job Number	P O Number	Accounts Receivable Contact	CCC Contact JC
		Net 15 Days	#435-99-1			
QUANTITY	ITEM NO.	DESCRIPTION			PRICE	AMOUNT
		Construction Supervision Fees				3,554.67
		(January, 2000)				

SUBTOTAL:	3,554.67
AMOUNT PREVIOUSLY INVOICED:	0.00
LESS RETENTION	0.00

Total Amount Due This Invoice: \$3,554.67

PLEASE INCLUDE INVOICE NUMBER ON YOUR CHECK

CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 1 OF 1

AIA DOCUMENT G702 APPLICATION AND CERTIFICATE FOR PAYMENT CONTAINING CONTRACTOR'S SIGNED CERTIFICATION IS ATTACHED
CONTRACTORS SIGNED CERTIFICATION IS ATTACHED
IN TABULATION BELOW AMOUNTS ARE STATED TO THE NEAREST DOLLAR
USE COLUMN 1 CONTRACTS WHERE VARIABLE RETAINAGE FOR LINE ITEMS MAY APPLY

HICKORY STAR ON SITE
1360 HICKORY STAR ROAD
MAYNARDVILLE, TN 37807

APPLICATION #8

USE COLUMN 17 FOR TOTAL COMPLETED AND STORED TO DATE (D+E+F)																
A		B		C		D		E		F		G		H		RE
ITEM NO.		DESCRIPTION OF WORK		SCHEDULED VALUE		PREVIOUS APPLICATION		WORK COMPLETED THIS APPLICATION WORK IN PLACE		STORED MATERIALS NOT IN DORE		TOTAL COMPLETED AND STORED TO DATE (D+E+F)		BALANCE TO FINISH		
ADDITIONS																
001	COVERED SLIP EXPANSION		\$314,560.00		\$45,000.00		\$0.00		\$0.00				\$45,000.00		\$269,560.00	
002	JACUZZI		\$11,360.00		\$0.00		\$0.00		\$0.00				\$0.00		\$11,360.00	
003	WAVE BREAK		\$45,500.00		\$45,456.70		\$0.00		\$0.00				\$45,456.70		\$43.30	
PHASE II																
004	WATER SYSTEM		\$122,600.00		\$102,213.81		\$590.00		\$590.00				\$102,803.81		\$19,796.19	
005	STREETS		\$273,444.00		\$22,392.16		\$2,903.02		\$2,903.02				\$25,295.18		\$248,148.82	
006	CLEARING		\$32,000.00		\$11,120.00		\$0.00		\$0.00				\$11,120.00		\$20,880.00	
IMPROVEMENTS																
007	DOCK AND CABLE MODIFICATIONS		\$59,380.00		\$3,949.06		\$1,290.97		\$1,290.97				\$5,240.03		\$54,139.97	
008	IMPROVEMENTS TO DOCK STORE		\$33,650.00		\$17,515.60		\$2,085.00		\$2,085.00				\$19,600.60		\$14,049.40	
009	UPPER CAMPGROUND IMPROVEMENTS		\$32,600.00		\$5,495.65		\$2,245.64		\$2,245.64				\$7,741.29		\$24,858.71	
010	RESTAURANT & MOTEL ROOFING		\$9,830.00		\$7,066.45		\$0.00		\$0.00				\$7,066.45		\$2,763.55	
011	PAVING (NEW PARKING AREA)		\$23,850.00		\$2,916.30		\$0.00		\$0.00				\$2,916.30		\$20,933.70	
UTILITY SYSTEM UPGRADE																
012	IMPROVEMENTS TO EXISTING SYSTEM		\$30,950.00		\$13,489.00		\$0.00		\$0.00				\$13,489.00		\$17,461.00	
013	INTEREST RESERVE		\$79,178.00		\$0.00		\$0.00		\$0.00				\$0.00		\$79,178.00	
014	CONTINGENCY		\$49,486.00		\$0.00		\$2,750.00		\$2,750.00				\$2,750.00		\$46,736.00	
015	CONSTRUCTION SUPERVISION		\$81,612.00		\$20,610.20		\$830.52		\$830.52				\$21,440.72		\$60,171.28	
TOTAL																
			\$1,200,000.00		\$297,224.93		\$12,695.15		\$0.00				\$309,920.08		\$890,079.92	
Wood Slide For Makers Inc 2/2/24																
Deposit 224564 + 224565 = 449129																
309,920.08 = 449129																

Wood Slide FOR MAKES INC 2/20/20

Deposit 224564 + 224565 = 449129

590.00 +
974.10 +
12,695.15 *

2,750.00 +
11,131.05 +

1,290.97 +
2,245.64 +
1,928.92 +
2,085.00 +
2,750.00 +

For Makes Inc
2/20/20

For Makes Inc
2/20/20

For Makes Inc
2/20/20

For Makes Inc
2/20/20

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2/20/20

For Makes Inc
2/20/20

For Makes Inc
2/20/20

For Makes Inc
2/20/20

For Makes Inc
2/20/20

For Makes Inc
2/20/20

CARLSBERG MANAGEMENT COMPANY
PURCHASE REQUISITION
(Please Print or Type)

Property #. 435 Name: Hickory Star Marine
FD #. Inv #. 3 Other:
Reason for Expenditure: Eng Services. Revise
Water Line Design

Vendor/Supplier

Name: Armar Dunn & Assoc. Inc. Phone: 1
Address: 3305 Maloney Road
City, St: Knoxville, TN Zip Code: 37920

Goods or Services purchased (In detail):

Qty	Full Description	Per Unit Cost	Total Price
	QMU # 3	\$	\$ 590.00
Subtotal:			590.00
Sales Tax:			
TOTAL:			\$ 590.00

Signed: [Signature]
Project Manager

Date: 2-16-00

Signed: _____
District/Regional Manager

Date: 24-6-20

[illegible]

71 8 20 0 0

LD & A
Lamar Dunn & Associates Inc.

Hickory Star Resort
1360 Hickory Star Road
Maynardville, TN 37807
Attn: Mike Churchill

Date: January 28, 2000
Invoice No. 3
Project No. HSR902SE10WD12

Professional Engineering Services Relative to Revise Water Line Design for Hickory Star Subdivision-Unit 2.

Billing Period January 01, 2000 thru January 28, 2000

LABOR:

Project Manager: 2.0 hrs x \$ 85/hr = \$ 170 00



Lamar Dunn & Associates Inc



7-01-00

Hickory Star Resort
1360 Hickory Star Road
Maynardville, TN 37807
Attn Mike Churchill

Date January 28, 2000
Invoice No 3
Project No HSR902SE10WD12

Professional Engineering Services Relative to Revise Water Line Design for Hickory
Star Subdivision-Unit 2

Billing Period January 01, 2000 thru January 28, 2000

LABOR

Project Manager	2 0 hrs x \$ 85/hr =	\$ 170 00
Technician	8 0 hrs x \$ 45/hr =	360 00
Word Processor	1 5 hrs x \$ 40/hr =	<u>60 00</u>

TOTAL AMOUNT DUE THIS PERIOD:

\$ 590.00

OF
1

APPLICATION #13

#13

0.00

15, 520.00 + 1.00

220.82 + 1.00

Helix Bay 40, 000.00 + 1.00

Low n 1, 426.45 + 1.00

101.62 + 1.00

45105, 861.75 + 1.00

45105, 861.75 + 1.00

4, 457.91 + 1.00

4, 622.05 + 1.00

325.00 + 1.00

70, 445.52 + 1.00

CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 1 OF 1

AIA DOCUMENT G702 APPLICATION AND CERTIFICATE FOR PAYMENT, CONTAINING CONTRACTOR'S SIGNED CERTIFICATION IS ATTACHED IN TABULATION BELOW AMOUNTS ARE STATED TO THE NEAREST DOLLAR USE COLUMN 1 CONTRACTS WHERE VARIABLE RETAINAGE FOR LINE ITEMS MAY APPLY

HICKORY STAR-ON SITE
1360 HICKORY STAR ROAD
MAYNARDVILLE, TN 37807

APPLICATION #14

8/14/00

Retainage

A	B	C	D	E	F	G	H
ITEM NO	DESCRIPTION OF WORK	SCHEDULED VALUE	PREVIOUS APPLICATION	WORK COMPLETED THIS APPLICATION PLACE	STORED MATERIALS NOT IN DORE	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	BALANCE TO FINISH
	ADDITIONS						
001	COVERED SLIP EXPANSION	\$314,560.00	\$314,270.00	\$0.00		\$314,270.00	\$290.00
002	JACUZZI	\$11,360.00	\$2,800.00	\$0.00		\$2,800.00	\$8,560.00
003	WAVE BREAK	\$45,500.00	\$45,456.70	\$0.00		\$45,456.70	\$43.30
004	WATER SYSTEM PHASE II	\$122,600.00	\$116,674.64	\$0.00	\$3,950.00	\$120,624.64	\$1,975.36
005	STREETS	\$273,444.00	\$98,984.83	\$0.00	\$10,744.47	\$109,729.30	\$163,714.70
	CLEARING	\$32,000.00	\$11,673.16	\$0.00		\$11,673.16	\$20,326.84
007	IMPROVEMENTS	\$59,380.00	\$22,581.53	\$0.00	\$33,240.00	\$55,821.53	\$3,558.47
008	DOCK AND CABLE MODIFICATIONS	\$33,650.00	\$31,261.39	\$0.00		\$31,261.39	\$2,388.61
009	IMPROVEMENTS TO DOCK STORE	\$32,600.00	\$10,463.73	\$0.00	\$6,370.36	\$16,834.09	\$15,765.91
010	UPPER CAMPGROUND IMPROVEMENTS	\$9,830.00	\$9,830.00	\$0.00		\$9,830.00	\$0.00
011	RESTAURANT & MOTEL ROOFING	\$23,850.00	\$2,916.30	\$0.00		\$2,916.30	\$20,933.70
012	UTILITY SYSTEM UPGRADE						
	IMPROVEMENTS TO EXISTING SYSTEM	\$30,950.00	\$21,740.20	\$0.00		\$21,740.20	\$9,209.80
013	INTEREST RESERVE	\$79,178.00	\$0.00	\$0.00		\$0.00	\$79,178.00
014	CONTINGENCY	\$49,486.00	\$47,110.46	\$0.00		\$47,110.46	\$49,486.00
015	CONSTRUCTION SUPERVISION	\$81,612.00	\$52,750.87	\$0.00	\$3,801.34	\$56,552.21	\$25,059.79
		\$1,200,000.00	\$788,513.81	\$0.00	\$58,106.17	\$846,619.98	\$353,380.02

DRAW 14 0-00 *

on SL
DAS sign Co 1,334-72 +
Lamer Dum 5,035-64 +
Tringier Hump 3,950-00 +
Belt Hauling 10,744-47 +
Hydro 14 + 2,640-00 +
In Annual 2,500-00 +
Supervising 3,801-34 +
58,106-17 *

Payor	CMC Realty, Inc.	Date	1/10/01	Check No.	015908	Check Amount	\$1,160
Payee	TYSINGER, HAMPTON & PARTNERS, INC						

Retain this statement for your records

WLCR85111BP

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

CMC Realty, Inc.
 c/o Carlsberg Management Co.
 6171 W. Century Blvd., Ste. 100
 Los Angeles, California 90045

FIRST REGIONAL BANK
 401 Santa Monica Blvd., Ste 403
 Santa Monica, CA 90401

16-3776
 1220

Date 1/10/01 Check No. 015908 Check Amount \$1,160.00

One Thousand One Hundred Sixty AND 00/100 Dollars

Pay to the order of
 TYSINGER, HAMPTON & PARTNERS, INC
 P.O. BOX 982
 JOHNSON CITY, TN 37605-0982

VOID IF NOT CASHED WITHIN 90 DAYS WITHIN DATE OF ISSUE

SECURITY FEATURES INCLUDED DETAILS ON BACK

015908 011220377601 776000043

*** CHECK REQUEST ***

PAYOR. Hickory Star

DATE 10/30/00

PAYEE Name Tysinger Hampton & Partners
 Address _____
 City, State, Zip Code _____

AMOUNT \$ 2970

Description. INVOICE 225 00103 → \$1160.00
22500104 → \$1810.00
In system TOTAL \$2970

← Draw 16 Water Utility Imp

Requested By du Approved By [Signature]

FORWARD CHECK TO Vendor

Remarks _____

Location	Account #	Suffix	Amount
			\$

Date Paid. _____



Since 1973

TYSINGER, HAMPTON & PARTNERS, INC.

ENGINEERS • SURVEYORS • PLANNERS • GEOLOGISTS • SCIENTISTS

P O BOX 982
JOHNSON CITY, TENNESSEE 37605-0982

TELEPHONE (423) 282-2687
www.tysinger-engineering.com

3428 BRISTOL HIGHWAY
JOHNSON CITY, TENNESSEE 37601-1345

FAX (423) 282-1621
email thp@tysinger-engineering.com

DATE 09/29/00

INVOICE

INVOICE NO 0022500103

Mr Mike Churchill
Carlsberg Management Company
1360 Hickory Star Road
Maynardville, TN 37807

PROJECT. Water Line Design
Hickory Star Campground

PROJECT NO 0022500C

CURRENT SERVICES 09/01 - 09/15/00

Current Services	Contract Price	% Complete	To Date	Prior	Current
100 Proposal	\$ -		\$ -	\$ -	\$ -
110 Feasibility					
120 Preliminary Design					
130 Design	5,800 00	70%	4,060 00	2,900 00	1,160 00
140 Cost/Spec					
150 Adv/Bid/Doc					
160 Permits	300 00				
170 Construction Services					
210 Audit					
220 Assessment					
230 Remediation					
240 Geotechnical					
410 Research Deed/Info					
420 Control Survey					
Boundary & Topographical					
430 Survey	3,950 00	100%	3,950 00	3,950 00	
440 Plat/Replat					
450 Reports					
460 As-Builts					
470 Construction Staking					
810 Meetings @ unit rates	1,000 00		167 50	167 50	
08/28/00 Meeting w/owner					
820 Additional Services					
SUBTOTAL	\$ 11,050 00		\$ 8,177 50	\$ 7,017 50	\$ 1,160 00
Reimbursable Expenses (estimated)	250 00				
TOTAL	\$ 11,300 00		\$ 8,177 50	\$ 7,017 50	\$ 1,160 00

TERMS If not paid by 10/14/00 2% SERVICE CHARGE \$1,183 20

A monthly service charge of 2% (24% per annum) will be added on all accounts outstanding over 15 days from date of invoice

PLEASE SEND REMITTANCE TO
TYSINGER, HAMPTON & PARTNERS, INC
P O BOX 982 - JOHNSON CITY, TN 37605-0982

CIVIL WORKS • SURVEYS • INFRASTRUCTURE • TRANSPORTATION • ENVIRONMENTAL • PLANNING

=====INTER-COMPANY DISBURSEMENT=====

DATE 10/30/00

PAYOR Hickory Star

PAYEE
NAME Carlsberg Construction Co
ADDRESS
CITY STATE ZIP

AMOUNT 4623.44 All-02A

DESCRIPTION
Coast Supervision Draw # 16

CARLSBERG CONSTRUCTION COMPANY
6171W CENTURY BOULEVARD, #100
LOS ANGELES, CA 90045

Invoice No HSR-1000II
Invoice Date 10/30/00

INVOICE

Bill to
Hickory Star Resort
1360 Hickory Star Road
Maynardville, TN 37807

Job Information
HICKORY STAR ADDITIONS
1360 Hickory Star Road
Maynardville, TN 37807

Contract Number	Project Manager	Terms	Job Number	P O Number	Accounts Receivable Contact	CCC Contact
		Net 15 Days	#435-99-1			JC
QUANTITY	ITEM NO	DESCRIPTION	PRICE	AMOUNT		
		Construction Supervision Fees		4,623.44		

SUBTOTAL	4,623.44
AMOUNT PREVIOUSLY INVOICED	0.00
LESS RETENTION	0.00
Total Amount Due This Invoice:	\$4,623.44

D16

EXHIBIT 6

WATER SERVICING AGREEMENT

This Water Servicing Agreement (the "Agreement") is made and entered into this 12 day of MAY, 1999, by and between HICKORY STAR WATER COMPANY, L.L.C., a Delaware Limited Liability Company, authorized and qualified to do business in the State of Tennessee ("Hickory"), and THE CITY OF MAYNARDVILLE OF THE STATE OF TENNESSEE (the "City").

RECITALS

A. Hickory desires to obtain water from the City's water system to service that certain area located in Union County, Tennessee, described on Exhibit "A" attached hereto and made a part hereof (the "Serviced Area").

B. The City is willing to extend the City's water system to the Serviced Area, provided that Hickory undertakes the servicing of individual customers within the Serviced Area.

NOW, THEREFORE, in consideration of their mutual promises contained herein and other valuable consideration, the receipt and sufficiency thereof is hereby acknowledged, the parties agree as follows:

1 Extension of City's Water System

AS soon as practicable following the execution hereof, the City shall, at its sole cost, construct all necessary improvements and install all necessary water lines and equipment to extend the City's water system to the southern boundary of the Serviced Area (the "Connection"). Without limiting the generality of the foregoing, the City shall install improvements, water lines and equipment adequate for servicing the entire Serviced Area, assuming full occupancy as projected by Hickory, including, without limitation, a master water meter for the entire Serviced Area and a 100,000 gallon water storage tank installed at the Connection. Said extension of the City's water system to the Serviced Area (the "Extension") shall be completed within one (1) year from the date of closing of the loan by the Farmers Home Loan Administration (the "FHA Loan") to the City for the purpose of financing the Extension (the "Completion Date"). The obligations of Hickory and the City under this Agreement are each conditioned upon the closing of the FHA Loan. In the event the FHA Loan fails to close by the third (3rd) anniversary of the date hereof, this Agreement shall terminate automatically and thereafter neither party shall have any further obligation hereunder.

2. Water Services to be Provided by the City.

On or before the Completion Date, the City shall service City water to Hickory at the Connection in a quantity sufficient to meet the requirements, from time to time, of all existing and future residential and commercial water users within the Serviced Area. Hickory shall pay to the City a one time tap-in fee of \$800 or cost of tap-in installation, whichever is greater, and a security deposit of \$50 prior to commencement of services by the City. The City shall charge Hickory standard water usage fees that are customarily charged to residents outside the City limits in Union County, Tennessee. In addition to such standard water usage fees, Hickory shall pay to the City a basic service charge in the sum of \$1,623 per month. The Extension and the City's provision of water services hereunder, including without limitation the quality of water, shall comply with all applicable federal, state and local laws, statutes, rules and regulations.

3. Water Services Provided by Hickory

Hickory shall have the sole right and authority to provide water services, using the City water it purchases, to all residential and commercial water users in the Serviced Area and collect fees and charges for such services at rates established by Hickory in its sole discretion. Hickory shall be solely responsible for the installation of all water lines, equipment and meters required for such services. Provided, however, all installations of water lines, equipment and meters shall conform to the then existing specifications and requirements on file with the City. Hickory shall have the right to sell or otherwise transfer said water servicing business to any third party, provided that the transferee assumes the obligation to pay the water usage fees, the \$1,623 per month basic service charge described in paragraph 2 above and further assumes all other requirements and obligations as are found in this Water Servicing Agreement.

4. Continued Service.

In the event Hickory fails to pay its water bill in full for two consecutive months, Hickory shall offer to sell its water system to the City at a mutually agreeable price. Provided, however, the City shall have no obligations whatsoever to purchase said water system. If the City wishes to purchase the water system, and in the event the parties cannot agree upon a price for the water system, the price for the system shall be settled by arbitration in accordance with the laws of arbitration of the State of Tennessee. If Hickory does not continue to provide water service during such negotiations or arbitration, the City may continue to provide water service directly to

Hickory's customers pending the transfer of its system to the City in the event, and only in the event, that the City should, at its sole and only discretion, desire to purchase said water system. If the City does not desire to purchase the water system, Hickory shall assume and have complete liability and responsibility to provide water service to Hickory's customers and Hickory shall defend, indemnify and hold the City harmless of and from any and all costs, damages and fees associated with Hickory's failure to provide water service or Hickory's failure to comply with any and all terms of this Agreement

5. Certification by Tennessee Regulatory Authority.

As a condition of service under this Agreement, Hickory shall obtain a certificate of convenience and necessity from the Tennessee Regulatory Authority as required by state law.

6. Memorandum of Agreement.

Concurrently with the execution hereof, the City and Hickory shall execute a Memorandum of Agreement in the form of Exhibit "B" attached hereto and made a part hereof, with proper acknowledgment, and cause such Memorandum to be recorded in Union County, Tennessee

7. Authority

Each party hereby warrants and represents that it has the authority to enter into this Agreement and the signatures hereupon shall bind said parties

8. Notices

Any notices, requests, demands, instructions or other communications to be given under this Agreement shall be in writing and shall be delivered personally, sent by overnight courier or by registered or certified mail, postage prepaid, return receipt requested, and addressed as follows

To Hickory:

Hickory Star Water Company, L.L.C
6171 W. Century Boulevard
Suite 100
Los Angeles, California 90045
Attention: Mr. William W Geary, Jr

With a copy to.

Sandler and Rosen, LLP
1801 Avenue of the Stars
Suite 510
Los Angeles, California 90067
Attention: Ming-chu C. Rouse, Esq.

To the City:

City of Maynardville
P O. Box 217
Maynardville, Tennessee 37807
Attention: Maynardville City Manager

With a copy to

Darryl W Edmondson, Esq.
120 Court Street
P. O. Box 789
Maynardville, Tennessee 37807

Said addresses may be changed from time to time by notice sent in the manner set forth above. All notices shall be deemed delivered on the date personally delivered, or upon receipt if sent by overnight courier, or forty-eight (48) hours after the date deposited into the United States mail.

9 Entire Agreement.

This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the parties hereto. This Agreement shall be governed by laws of the State of Tennessee

10 Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

11. Counterparts.

This Agreement and any amendment or supplements thereto may be executed in counterparts, and all counterparts together shall be construed as one and the same document.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

"Hickory"

HICKORY STAR WATER COMPANY, L.L.C.,
a Delaware limited liability company

By: Hickory Star, L.L.C., a Delaware limited liability
company, its sole member

By: Carlsberg Recreational Properties, Inc., a Cal. cor

Its: sole member

By: 

"The City" William W. Geary, Jr., President

THE CITY OF MAYNARDVILLE

By: 

Its: CITY manager

LEGAL DESCRIPTION

EXHIBIT "A"

SITUATED in District No. 4 of Union County, Tennessee, and being known and designated as Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 36, 38, 40, 42, 44, 49, 50, 51, 52, and the "Proposed Playground" property which fronts on Hickory Road and is now depicted as Tax Parcel 73.01 on Map 48KA, all in Hickory Star Park, a subdivision to Union County, Tennessee, as shown by map of said subdivision of record on the last page attached to Warranty Book E, Volume 3, in the Union County Register's Office, said lots and parcel being more particularly bounded and described as shown by map aforesaid, to which map specific reference is hereby made for a more particular description.

EXHIBIT "B"

SITUATED in District No. 4 of Union County, Tennessee, and being known and designated as Lots 190, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 106, 108, 110, 112, 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, 134, 136, 138, 140, 142, 144, 146, 148, 150, 152, 154, 156, 158, 160, 162, 164, 166, 168, 102, 103, 107, 109, 111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, and 163 in Hickory Star Park Subdivision No. 2, a Subdivision to Union County, Tennessee, as shown by map of said subdivision of record in Plat Cabinet A, Slide 11, in the Union County Register of Deeds Office, said lots being more particularly bounded and described as shown by map aforesaid, to which map specific reference is hereby made for a more particular description.

EXHIBIT "C"

SITUATED in District No. 4 of Union County, Tennessee, and being known and designated as Lots 213, 214, 215, 217, 219, 221, 223, 225, 227, 229, 231, 216, 218, 220, 222, 224, 226, 228, 230, 232, 234, 236, and 238 in Hickory Star Park Subdivision No. 3, a Subdivision to Union County, Tennessee, as shown by map of said subdivision of record in Plat Cabinet A, Slide 18, in the Union County Register of Deeds Office, said lots being more particularly bounded and described as shown by map aforesaid, to which map specific reference is hereby made for a more particular description.

EXHIBIT "D"

SITUATED in District No. 4, of Union County, Tennessee, and being known and designated as Lots 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17 of Unit 1, Hickory Star Subdivision, a subdivision to Union County, Tennessee, as shown by map of said subdivision of record in plat Cabinet A, Slide 185, in the Union County Register of Deeds Office, said lots being more particularly bounded and described as shown by map aforesaid, to which map specific reference is hereby made for a more particular description.

EXHIBIT "E"

SITUATED in District No. 4 of Union County, Tennessee, and being a certain parcel of property identified as Tax Identification No. 04-056-041.00, and being all that property described in that deed of record in Warranty Book J, Volume 3, page 216, in the Union County Register of Deeds Office, said property being more particularly described in said deed attached hereto.

EXHIBIT "F"

SITUATED in District No. 4 of Union County, Tennessee, and being all of that property identified as Tax Identification No. 04-048-003.00, which parcel contains 66.28 acres, more or less, which property is described in those deeds of record in Warranty Book O, Volume 3, page 182; Warranty Book Q, Volume 4, page 536, and Warranty Book Q, Volume 4, page 539, and in such other deeds to Carl Nelson, Jr., as may appear of record in the Union County Register of Deeds Office. Copies of the three mentioned deeds are attached hereto.

EXHIBIT "G"

SITUATED in District No. 4 of Union County, Tennessee, and being all of that property conveyed to Hometown Hickory Star, L.L.C., a Delaware limited liability company, by Warranty Deed from TTP, Inc., a California corporation, dated December 12, 1997, of record in Warranty M, Series 6, page 443, in the Union County Register of Deeds Office, said property being more particularly described on said deed attached hereto.

EXHIBIT "A"

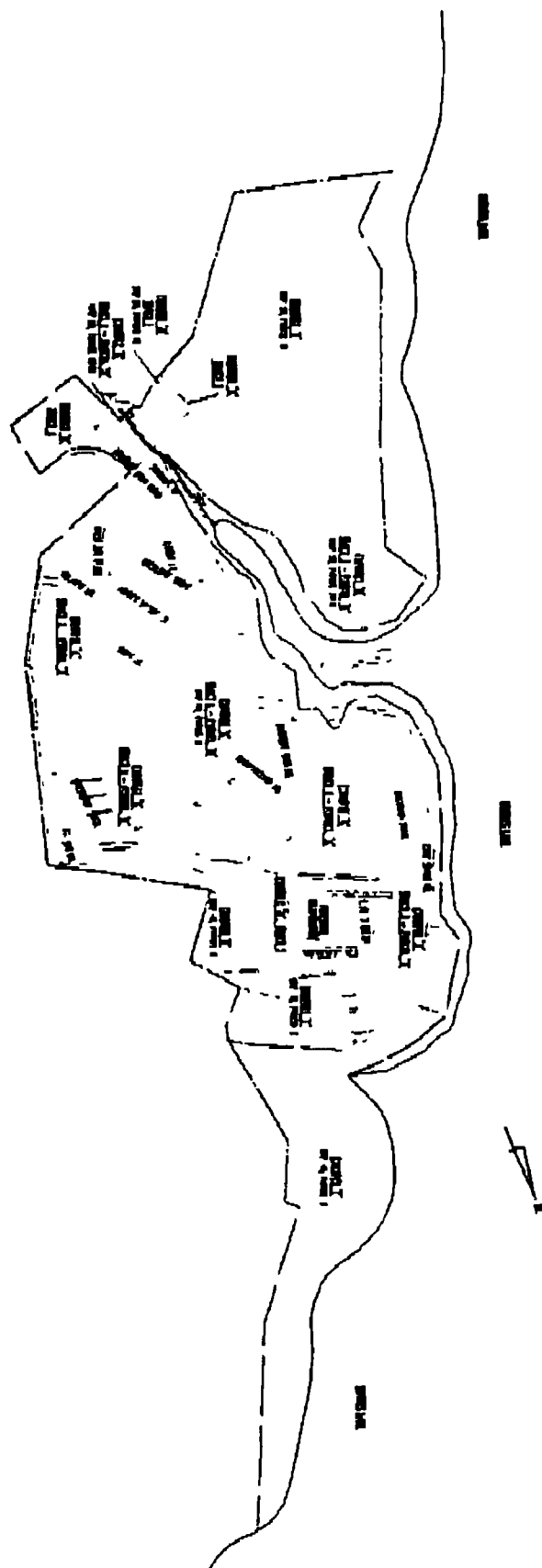


EXHIBIT "A"

Recording Requested By
And When Recorded Mail To

Ming-chu C. Rouse, Esq
Sandler and Rosen, LLP
1801 Avenue of the Stars
Suite 510
Los Angeles, California 90067

MEMORANDUM OF WATER SERVICING AGREEMENT

By this MEMORANDUM OF WATER SERVICING AGREEMENT entered into as of the 12 day of May, 1999, concurrently with a Water Servicing Agreement with the same parties (the "Agreement"), THE CITY OF MAYNARDVILLE OF THE STATE OF TENNESSEE (the "City") and HICKORY STAR WATER COMPANY, L.L.C., a Delaware Limited Liability Company, authorized and qualified to do business in the State of Tennessee ("Hickory"), hereby agree as follows:

1. The City hereby agrees to (a) extend, at its sole cost, the City's water system to the southern boundary of the "Serviced Area" located in Union County, Tennessee, described on Exhibit "A" attached hereto and made a part hereof, and (b) provide water services to Hickory at said location in a quantity sufficient to meet the requirements, from time to time, of all existing and future residential and commercial water users within the Serviced Area. Said extension of the City water system shall be completed and the City's water services to Hickory shall commence within one (1) year from the date of closing of the loan by the Farmers Home Loan Administration (the "FHA Loan") to the City for the purpose of financing said extension. The obligations of Hickory and the City under the Agreement are each conditioned upon the closing of the FHA Loan. In the event the FHA Loan fails to close by the third (3rd) anniversary of the date of the Agreement, the Agreement shall terminate automatically and thereafter neither party shall have any further obligation thereunder. The City shall charge Hickory standard water usage fees that are customarily charged to residents outside the City limits in Union County, Tennessee. In addition to such standard water usage fees, Hickory shall pay to the City a basic service charge in the sum of \$1,623 per month.

2. Hickory shall have the sole right and authority to provide water services, using the City water it purchases, to all residential and commercial water users in the Serviced Area and

collect fees and charges for such services at rates established by Hickory in its sole discretion. Hickory shall be solely responsible for the installation of all water lines, equipment and meters required for such services. Provided, however, all installations of water lines, equipment and meters shall conform to the then existing specifications and requirements on file with the City. Hickory shall have the right to sell or otherwise transfer said water servicing business to any third party, provided that the transferee assumes the obligation to pay the water usage fees, the \$1,623 per month basic service charge described in paragraph 1 above and further assumes all other requirements and obligations as are found in the Agreement.

3. The parties have executed and recorded this instrument for the purpose of imparting notice of the Agreement. The terms, covenants and conditions of the Agreement are incorporated herein by reference as though set forth fully herein. In the event of any inconsistency between this Memorandum and the Agreement, the Agreement shall control. This Memorandum and the Agreement shall bind and inure to the benefit of the parties hereto, and their respective heirs, successors and assigns.

IN WITNESS WHEREOF, the City and Hickory have executed this Memorandum this 12 day of MAY, 1999

THE CITY OF MAYNARDVILLE

By:

[Signature]
Its CITY Manager

HICKORY STAR WATER COMPANY, L.L.C.,
a Delaware limited liability company
By: Hickory Star, L.L.C., a Delaware limited liability
company, its sole member
By: Carlsberg Recreational Properties, Inc., a Cal. corp.
Its sole member
By: [Signature]
William W. Geary, Jr., President

[Attach Notary Jurats]

STATE OF Idaho
COUNTY OF Blaine

On May 12, 1999, before me,
Notary Public, personally appeared

Donald Summers, Agent for the

☐ personally known to me - OR

☒ Not proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

My Comm Exp

Feb 16, 2003

Dan W. Schiebel
NOTARY PUBLIC

STATE OF CALIFORNIA
COUNTY OF Los Angeles

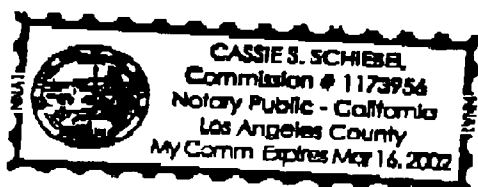
On May 18, 1999, before me, Cassie S. Schiebel,
Notary Public, personally appeared

William W. Geary, Jr.

☒ personally known to me - OR

☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

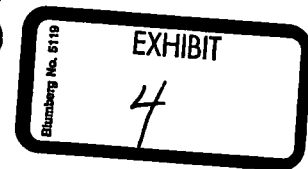
WITNESS my hand and official seal



Cassie S. Schiebel
NOTARY PUBLIC

City of
MAYNARDVILLE

P.O. Box 217 • Maynardville, TN 37807-0217
Phone (423) 992-3821 • Fax (423) 992-6456



Inside City

Min. 2000	gallons	\$ 8 75
Next 8000	gallons	3.20/1000
Next 10,000	gallons	3.00/1000
Next 30,000	gallons	2.70/1000
All over 50,000	gallons	2 50/1000

Outside City

Min 2000	gallons	\$12 25
Next 8000	gallons	4 55/1000
Next 10,000	gallons	4.25/1000
Next 30,000	gallons	3.80/1000
All over 50,000	gallons	3.50/1000

All Wastewater rates are 100 per cent of the inside city rate structure.

Respectfully,


Hazel Gillenwater